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Cash Management Improvement Act Annual Report

State Fiscal Year Covered by this Report July 1st 2004 to June 30th 2005

Interest Rate 2.28%

PART A - SUMMARY INFORMATIONState: Montana**State Contact**

Name	<u>Mark Curtis</u>
Address	<u>125 Roberts Street, Room 255 Mitchell Building, Department of</u>
Telephone	<u>Administration</u>
Facsimile	<u>406-444-3975</u>
Email	<u>406-444-2812</u>
	<u>mcurtis@mt.gov</u>

Total Current State Interest Liability:	<u>\$ 229587</u>
Total Prior Year State Interest Adjustment:	
Total Interest Calculation Cost Claimed:*	<u>\$ 0</u>
Total Current Federal Interest Liability:	<u>\$ 25686</u>
Total Prior Year Federal Interest Adjustments:	<u>\$ 47188</u>
Total State Interest Liability:	<u>\$ 2786</u>
	<u>\$ 153927</u>

* For information purposes only. The reimbursement of Total Direct cost is not final until FMS has reviewed the claim for reasonableness and provided written notification of the approved amount.

CERTIFICATION

"I certify to the best of my knowledge all information in this report, including the Summary Information in Part A and the Program Reporting in Part B, Forms 1 and 2, is true and accurate in all respects and that all calculations are in accordance with 31 CFR Part 205 and the Treasury-State Agreement."

Signature of Authorized State Official

Printed Name

Title of Authorized State Official

Carefully examine this report. ACCEPTING THESE CALCULATIONS WILL LOCK ALL OF YOUR DATA. YOU WILL NEED TO CONTACT YOUR FMS REPRESENTATIVE TO MAKE FUTURE CHANGES TO DIRECT COST AND PART B DATA. It is extremely important that you verify these numbers now.

If you need to make corrections, choose "Cancel" to return to the Main Menu. When you are certain that your data is accurate, select "Accept."



**CASH MANAGEMENT IMPROVEMENT ACT ANNUAL REPORT
INTEREST CALCULATION COST REPORT**

State: Montana **State Fiscal Year:** 7/1/2004 through

A. INTERNAL STATE COSTS

I. Clearance Pattern Development/Maintenance

State Personnel Cost:	2133
State Non-personnel Cost:	0
Other Costs:	0
Specify Other Costs:	

II. Interest Calculation

State Personnel Cost:	23465
State Non-personnel Cost:	88
Other Costs:	0
Specify Other Costs:	

Internal State Sub-Total:	25686
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B. CONTRACT CONSULTING COSTS

I. Clearance Pattern Development/Maintenance

State Personnel Cost:	0
State Non-personnel Cost:	0
Other Costs:	0
Specify Other Costs:	

II. Interest Calculation

State Personnel Cost:	0
State Non-personnel Cost:	0
Other Costs:	0
Specify Other Costs:	

Contract Consulting Sub-Total:	0
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C. ADJUSTED INTEREST CALCULATION COST

Interest Calculation Costs incurred prior to the current State fiscal year are not eligible for reimbursement pursuant to 31 CFR Part 205.14(b)(5). In the event that direct costs reimbursed in a prior State fiscal year are disallowed as the result of a subsequent audit, the disallowed amount must be included in this section. Provide an explanation of any amount reported in this section.

Adjusted Interest Calculation Cost:	0
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D. TOTAL INTEREST CALCULATION COST CALCULATION

Calculate the Total Interest Calculation Cost Claimed by adding the Internal State Cost and the Contract Consulting Sub-totals, and subtract any Adjusted Interest Calculation Cost. Provide supporting documentation for total costs in excess of \$50,000.

Interest Calculation Cost Claimed:	25686
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E. AUTHORIZED STATE OFFICIAL CERTIFICATION

"I hereby certify that this Interest Calculation Cost Claim Report is accurate to the best of my knowledge. Interest Calculation Costs recovered via this mechanism shall not be included in our State's cost allocation plan as provided for by OMB Circular A-87. The State shall maintain documentation to substantiate this interest calculation cost claim and shall make this information available upon request."

Name:	Paul Christofferson
Title:	Administrator

Signature of _____

**Authorized State
Official:**

Printed Name:

**Title of Authorized
State Official:**

Date Signed:

Cash Management Improvement Act Annual Report**State Fiscal Year Covered by this Report** July 1st 2004 to June 30th 2005**Interest Rate** 2.28%**PART A - SUMMARY INFORMATION****State of Montana**

Mark Curtis
125 Roberts Street, Room 255 Mitchell Building, Department of Administration
Helena, MT 59620
Tel: 406-444-3975
Fax: 406-444-2812
Email: mcurtis@mt.gov

Total current State interest liability claim:	\$229,587
Total prior period State interest liability claim:	\$0
Total interest calculation cost claim:	\$25,686
Total current Federal interest liability claim:	\$47,188
Total prior period Federal interest liability claim:	\$2,786
Total State interest liability claim:	\$153,927

CERTIFICATION

"I certify to the best of my knowledge all information in this report, including the Summary Information in Part A and the Program Reporting in Part B, Form 1 - Non-Trust Fund Program Reporting and Form 1 - Trust Fund Program Reporting, is true and accurate in all respects and that all calculations are in accordance with 31 CFR Part 205 and the Treasury-State Agreement."

Signature of Authorized State Official(s)

Printed Name

Title of Authorized State Official

Date Signed


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**CASH MANAGEMENT IMPROVEMENT ACT ANNUAL REPORT
PART B, Form 1 - NON-TRUST FUND PROGRAM REPORTING**

State: Montana **State Fiscal Year:** 7/1/2004 through 6/30/2005

CFDA	Program Name	State Interest Liability (Refunds)	Current State Interest Liability (A)	Prior Year State Interest Adjustment (B)	Current Federal Interest Liability (C)	Prior Year Federal Interest Adjustment (D)	Net Interest Liability (A+B) - (C+D)
10.551	Food Stamps	0	0	0	0	2786	-2786
10.555	National School Lunch Program for Children	0	282	0	217	0	65
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	0	1867	0	428	0	1439
10.558	Child and Adult Care Food Program	0	5065	0	0	0	5065
10.561	State Administrative Matching Grants for Food Stamp Program	0	17	0	1203	0	-1186
12.400	Military Construction, National Guard	0	1	0	5826	0	-5825
12.401	National Guard Military Operations and Maintenance (O&M) Projects	0	7	0	5934	0	-5927
14.195	Section 8 Housing	0	165	0	175	0	-10
14.228	Community Development Block Grants/State's Program	0	96	0	59	0	37
14.871	Section 8 Housing Choice Vouchers	0	14850	0	87	0	14763
15.605	Sport Fish Restoration	0	700	0	442	0	258
15.611	Wildlife Restoration	0	700	0	441	0	259
17.207	Employment Service	0	152	0	240	0	-88
17.259	WIA Youth Activities	0	38	0	38	0	0
17.260	WIA Dislocated Workers	0	13	0	740	0	-727
66.458	Capitalization Grants for State Revolving Funds	0	0	0	0	0	0
66.468	Capitalization Grants for Drinking Water Revolving Fund	0	0	0	0	0	0
66.605	EPA Performance Partnership Grant	0	1593	0	502	0	1091
84.010	Title I Grants to Local Educational Agencies	0	1353	0	1331	0	22
84.027	Special Education -- Grants to States	0	1411	0	1406	0	5
84.048	Vocational Education -- Basic Grants to States	0	116	0	2538	0	-2422
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	0	3280	0	44	0	3236
84.367	Improving Teacher Quality State Grants	0	569	0	581	0	-12
93.558	Temporary Assistance for Needy Families	0	0	0	673	0	-673
93.563	Child Support Enforcement	0	49	0	0	0	49
93.568	Low-Income Home Energy Assistance	0	365	0	188	0	177
93.575	Child Care and Development Block Grant	0	3	0	22	0	-19
93.596	Child Care Mandatory and Matching Funds for the Child Care and Development Fund	0	7	0	6	0	1
93.658	Foster Care -- Title IV-E	0	1694	0	51	0	1643
93.659	Adoption Assistance	0	1310	0	139	0	1171
93.667	Social Services Block Grant	0	1673	0	114	0	1559

93.767	State Children's Insurance Program	0	6	0	80	0	-74
93.778	Medical Assistance Program	0	1617	0	437	0	1180
93.959	Block Grants for Prevention and Treatment of Substance Abuse	0	104	0	1313	0	-1209
Total Liabilities		0	39103	0	25255	2786	11062



**CASH MANAGEMENT IMPROVEMENT ACT ANNUAL REPORT
PART B, Form 1 - TRUST FUND PROGRAM REPORTING**

State: Montana **State Fiscal Year:** 7/1/2004 through 6/30/2005

Actual Interest Earnings on 17.225 S 6201 **Actual Banking Costs on 17.225 S** 3909

CFDA	Program Name	State Interest Liability (Refunds)	Current State Interest Liability (A)	Prior Year State Interest Adjustment (B)	Current Federal Interest Liability (C)	Prior Year Federal Interest Adjustment (D)	Net Interest Liability (A+B) - (C+D)
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	0	1016	0	414	0	602
17.225	Unemployment Insurance -- State Benefit Account	0	9	0	290	0	-281
20.205	Highway Planning and Construction	0	189459	0	20798	0	168661
96.001	Social Security -- Disability Insurance	0	0	0	431	0	-431
Total Liabilities		0	190484	0	21933	0	168551

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Program Explanations

[New](#)

State: Montana **CFDA Number:** 10.551 **CFDA Name:** Food Stamps

Select an entry date to view an explanation in detail or to edit an explanation you wrote. Choose "New" from the title bar at the top of the screen to add an explanation. Use the scroll bar to navigate the page. To exit this screen, select "Review/Edit List" from the title bar.

STATE/TERRITORY EXPLANATIONS

Date	User	Explanation
12/19/2005	Mark Curtis	State Justification Code: (40 - Other) - Incorrect formula used in interest liability spreadsheet An incorrect formula was used in the fiscal year 2004 spreadsheet which created a \$2,786 state interest liability, in error. The spreadsheet has since been corrected. The incorrect and corrected version of the spreadsheet are included with the fiscal year 2005 annual report. The incorrect formula in spreadsheet column G for Desired Ending Cash Balance = DesiredBegCash - EBTpymnts + PrevDay EBTpymnts should have been Desired Ending Cash Balance = DesiredBegCash - EBTpymnts + EBTpymnts.

FEDERAL PROGRAM AGENCY EXPLANATIONS

Date	User	Explanation
2/14/2006	Suzanne Pastura	Code 52 - Recommend Approval - Prior Period Adjustment is Reasonable. FNS has reviewed Montana's explanation for the prior period adjustment and finds the explanation acceptable.

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Program Explanations

[New](#)

State: Montana **CFDA Number:** 12.400 **CFDA Name:** Military Construction, National Guard

Select an entry date to view an explanation in detail or to edit an explanation you wrote. Choose "New" from the title bar at the top of the screen to add an explanation. Use the scroll bar to navigate the page. To exit this screen, select "Review/Edit List" from the title bar.

STATE/TERRITORY EXPLANATIONS

Date	User	Explanation
12/19/2005	Mark Curtis	State Justification Code: (40 - Other) - Per the TSA - Exhibit 1 - Funds Request and Receipt Times Schedule, the federal government takes 15 days to process the agency's funds request, which created the federal interest liability (liability spreadsheet included with report).

FEDERAL PROGRAM AGENCY EXPLANATIONS

Date	User	Explanation
2/15/2006	Milton Dove	50: Office of the USPFO for the State of Montana has reviewed the claim and finds it to be correct.

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Program Explanations

[New](#)

State: Montana **CFDA Number:** 12.401 **CFDA Name:** National Guard Military Operations and Maintenance (O&M) Projects

Select an entry date to view an explanation in detail or to edit an explanation you wrote. Choose "New" from the title bar at the top of the screen to add an explanation. Use the scroll bar to navigate the page. To exit this screen, select "Review/Edit List" from the title bar.

STATE/TERRITORY EXPLANATIONS

Date	User	Explanation
12/19/2005	Mark Curtis	State Justification Code: (40 - Other) - Per the TSA - Exhibit 1 - Funds Request and Receipt Times Schedule, the federal government takes 15 days to process the agency's funds request, which created the federal interest liability (liability spreadsheet included with report).

FEDERAL PROGRAM AGENCY EXPLANATIONS

Date	User	Explanation
2/15/2006	Milton Dove	50: Office of the USPFO for the State of Montana has reviewed the claim and finds it to be correct.

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Program Explanations

[New](#)

State: Montana **CFDA Number:** 20.205 **CFDA Name:** Highway Planning and Construction

Select an entry date to view an explanation in detail or to edit an explanation you wrote. Choose "New" from the title bar at the top of the screen to add an explanation. Use the scroll bar to navigate the page. To exit this screen, select "Review/Edit List" from the title bar.

STATE/TERRITORY EXPLANATIONS

Date	User	Explanation
12/19/2005	Mark Curtis	State Justification Code: (21- Failure tor Request Funds IAW TSA - Multiple Occurrences Agency had problems with their internal computerized billing system. Due to the problems, funds were requested late, which generated a federal interest liability (program spreadsheet included with report). The state interest liability was generated due to an materials rate (allowable percentage of contractor payments) billing error for fiscal year 2005. An incorrect rate of .0789 was used; the correct rate was .0057. The materials rate has been corrected for fiscal year 2006, and billings in fiscal year 2006 (August) have been decreased to adjust for the amount overbilled. The agency has included a "liability issues" white paper with the annual report The agency would like the federal government to consider the issues raised in the white paper.

FEDERAL PROGRAM AGENCY EXPLANATIONS

Date	User	Explanation
2/14/2006	Herbert Walker	The FHWA does not support the State Federal interest liability claim based on the justification provided by the State. The FHWA should not be held liable because the State agency had problems with their internal computerized systems that generated a late billing request. However, based on the research in the Rapid Approval State Payment System (FHWA billing system) there was one late payment to the state. The state requested a payment in the amount of \$8,164,566.22, batch #213 on 05/19/05. However, the Financial Manager in the FHWA field office did not sign the billing until 5:08 p.m. EST, therefore, it was paid the next business day on 05/20/05. Also, section 8.2.1 of the TSA states that a Federal interest liability shall accrue from the day the State pays out its own funds for program purposes to the day Federal funds are credited to a State account. With regard to funds transferred out of the Federal Highway Trust Fund, if a State does not bill at least weekly for current project costs, the Federal interest liability shall

not accrue prior to the day the State submits a request for funds.

Justification Code: 69

[2/14/2006](#) Herbert Walker

The FHWA does not support the State Federal interest liability claim based on the justification provided by the State. The FHWA should not be held liable because the State agency had problems with their internal computerized systems that generated a late billing request. However, based on the research in the Rapid Approval State Payment System (FHWA billing system) there was one late payment to the state. The state requested a payment in the amount of \$8,164,566.22, batch #213 on 05/19/05. However, the Financial Manager in the FHWA field office did not sign the billing until 5:08 p.m. EST, therefore, it was paid the next business day on 05/20/05. Also, section 8.2.1 of the TSA states that a Federal interest liability shall accrue from the day the State pays out its own funds for program purposes to the day Federal funds are credited to a State account. With regard to funds transferred out of the Federal Highway Trust Fund, if a State does not bill at least weekly for current project costs, the Federal interest liability shall not accrue prior to the day the State submits a request for funds.

Justification Code: 69